Distr.
LIMITED
TD/B/SC.7/L.3
22 August 1967
Original: ENGLISH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD
Fifth session
Sessional Committee
Agenda item 7

REPORT OF THE COMMITTEE ON INVISIBLES AND FINANCING RELATED TO TRADE

Discussion of insurance and tourism by the Second Conference (Item V of the draft provisional agenda of the Conference)

Note by the UNCTAD Secretariat

1. In pursuance of the recommendations of the 1964 Conference the programme of work on invisibles was adopted by the Committee on Invisibles and Financing related to Trade at the first part of its first session in December 1965. (See document TD/B/42, Annex I(a)). At its second session, in April 1967, certain modifications in the programme of work were made, including the proposals for convening two expert groups in the field of insurance and one in the field of tourism (see document TD/B/118).

2. Thus the programme of work as approved covers the following main fields of activity:

A. Insurance and reinsurance
   - (i) Reinsurance
   - (ii) Investment policy of insurance and reinsurance institutions
   - (iii) Development of national insurance and reinsurance markets
   - (iv) Insurance legislation and supervision
   - (v) Insurance statistics
   - (vi) Review of developments in insurance, with special reference to developing countries.

B. Tourism
   - (i) Policies for the development of tourist potential
   - (ii) The prospective growth of world travel
   - (iii) Statistics of tourism
   - (iv) Review of developments in tourism, with special reference to developing countries.

3. The Committee also decided at its first session to draw up in due course a programme of work for studies of some other invisible items, notably the transfer of technology, but has not so far taken any action on this subject.

4. With regard to insurance and reinsurance, the Expert Group on Reinsurance was convened in September/October 1966 and its recommendations were considered at the second session of the Committee on Invisibles and Financing related to Trade in April 1967. The Committee expressed its appreciation to the Expect Group for their useful report and recommendations and commended those recommendations to the attention of Governments of member States and of the insurance industry with a view to their considering the possibility of implementing them.

5. The Committee noted with satisfaction the text of the questionnaire on insurance legislation, supervision and market addressed by the Secretary-General of UNCTAD to developing countries, and requested him to provide to Governments, at their request, assistance in connexion with the questionnaire. This questionnaire seeks rather comprehensive information on insurance markets in developing countries and also relates to several other areas of activity of the Committee such as investment policy of insurance and reinsurance institutions, insurance statistics and review of developments in insurance. The Committee also requested the Secretary-General of UNCTAD to convene a meeting of insurance supervisors and other experts from developing countries to review and to comment on the studies of the secretariat based on the replies to the above questionnaire.

6. With regard to insurance statistics, the Committee requested the Secretary-General of UNCTAD to convene, in co-operation with the Statistical Office of the United Nations, a meeting of insurance statisticians with a view to formulating proposals for minimum statistical standards and definitions for insurance and reinsurance transactions.

7. The Committee itself has not yet undertaken any substantive discussion of the items mentioned above under the heading of tourism. At its second session several delegations attached great importance to the designation of 1967 by the General Assembly as "International Tourist Year" and emphasised the role which tourism could play in developing countries in particular. Some delegations at that session pointed to the significance of air fares as a factor determining the volume of travel to developing countries and suggested that this subject should be studied by the Committee, but in view of the reservations expressed by other delegations to the effect that the subject was sufficiently covered by other intergovernmental and non-governmental organs the Committee did not make any formal proposal in this respect.

8. The Committee has not yet discussed statistical questions but decided at its second session to review at its third session the report of the Expert Group on International Travel Statistics (subsequently convened by the Statistical Office of the United Nations in June 1967). It also decided that at its third session it would review the report of the Secretary-General of the United Nations on the results of International Tourist Year and review periodically the implementation of the recommendations of the United Nations Conference on International Travel and Tourism (Rome, 1963) as suggested by the Economic and Social Council.

9. In the same resolution it reaffirmed the role of the UNCTAD secretariat in providing substantive support to technical assistance and pre-investment activities of the United Nations in both insurance and tourism, in accordance with resolution 31 (IV) of the Trade and Development Board, and recommended that the Secretary-General of the United Nations be asked to consider ways of avoiding duplication of activities among United Nations Secretariat units dealing with insurance and tourism.

10. In the sessional sub-committee on invisibles which was established by the Committee at its second session, no delegation spoke on the question of including items concerning invisibles and the transfer of technology in the agenda of the second Conference. Consequently, the Committee had no views on this subject to transmit to the Board.